GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3161
ANSWERED ON:08.12.2000
TRADE DEFICIT
LAXMINARAYAN PANDEY;PAWAN KUMAR BANSAL;RAMKRISHNA KUSMARIA;TEJVEER SINGH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the country`s trade deficit has been increasing continuously for the last three years;

(b) if so, the reasons therefor; (

(c) the exact trade deficit during the above period, year-wise and in the first quarter of current year;

(d) whether trade deficit of current year is more in comparison to the corresponding period of last year;

(e) if so, the reasons therefor; and

(f) the steps taken or being taken to bring down the trade deficit to promote exports and discourage unnecessary imports?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI OMAR ABDULLAH)
(a) to (c) : As per the DGCI&S provisional data, trade deficit in US $ terms for the last three years and this year has been as under: (US $ million) Year Trade deficit 1997-98 6478 1998-99 9170 1999-2000 8616 April-October, 1999-2000 5796 April-October, 2000-01 5256 Provisional

(d) to (f) : Trade deficit of current year is less in comparison to the corresponding period of last year due to the good performance of our exports and lower non-oil imports.
A number of steps have been taken to enhance the export growth which include reduction in transaction cost through decentralisation, simplification of procedures and various other measures as enumerated in the Exim Policy. Steps have also been taken to promote exports through multilateral and bilateral initiatives, identification of thrust sectors and focus regions. The favourable world economic situation also helped exports which has led to lower trade deficit in the current year.